Nanya Technology

Q2’ 2018 Financial Summary

NTC Proprietary
Level: Property

Safe Harbor

The information herein and the presentation made during the conference contain forward-looking statements and are provided for information purposes only. Neither Nanya Technology Corp. nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements or undertakes duty to update the statements. You are urged to review the information provided herein carefully, and please don't distribute, reproduce or disclose the information in whole or in part without prior written permission of NANYA Technology Corp.

Q2'18 Financial Results Summary

Amount in Million NT$, except for EPS & BVPS	Q2'18 Audited		Q1'18 Audited		QoQ	Q2'17 Audited		YoY
Net Sales	24,592	***100%***	18,797	***100%***	30.8%	12,626	***100%***	94.8%
Gross Profit (Loss) *Gross Margin(%)*	13,537	***55.0%***	9,741	***51.8%***	39.0%	5,544	***43.9%***	144.2%
Operating Income (Loss) *Operating Margin(%)*	11,510	***46.8%***	8,319	***44.3%***	38.4%	4,167	***33.0%***	176.2%
EBITDA* *EBITDA Margin (%)*	14,495	***58.9%***	11,237	***59.8%***	29.0%	6,098	***48.3%***	137.7%
Non-operating Income (Expense)	1,990	***8.1%***	-1,092	***-5.8%***		3,835	***30.4%***	
Income Tax Benefit (Expense)	-2,190	***-8.9%***	-1	***0.0%***		-1,505	***-11.9%***	
Net Income (Loss) *Net Margin (%)*	11,310	***46.0%***	7,227	***38.4%***	56.5%	6,490	***51.4%***	74.3%
Earnings Per Share (NT$)	3.68**		2.39			2.36		
Book Value Per Share (NT$)	47.37***		48.13			35.45		
Shares Outstanding(million shares)	3,101		3,060			2,748		

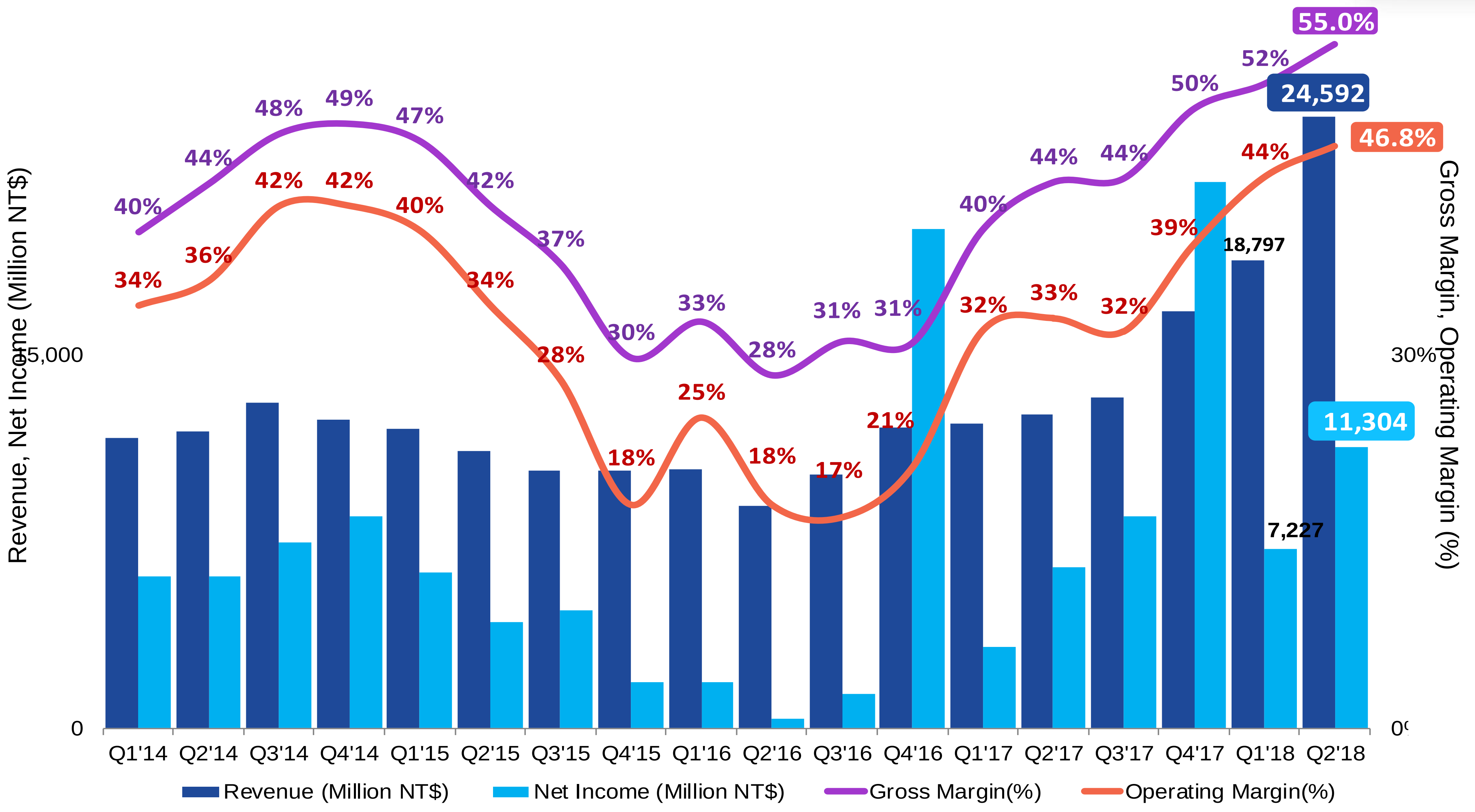
Note: * EBITDA = Operating income + Depreciation & Amortization Expenses

** EPS is based on weighted average outstanding shares of 3,075M

*** BVPS is calculated based on 3,101M outstanding shares after deduction of NT$ 3.5 cash dividend payable

- Q2'18 Revenue of NT$ 24,592 million(M), (+30.8% QoQ)
- Gross Margin 55.0%; Operating Margin 46.8%
- Q2'18 Net Income of NT$ 11,310M, Net Margin 46.0%, EPS NT$ 3.68, BVPS NT$ 47.37 (Cash dividend of NT$ 3.5/share, deducted)
- 1H'18 Revenue of NT$ 43,390M (+74.6% vs. 1H'17), Net Income of NT$ 18,537M, EPS NT$ 6.07

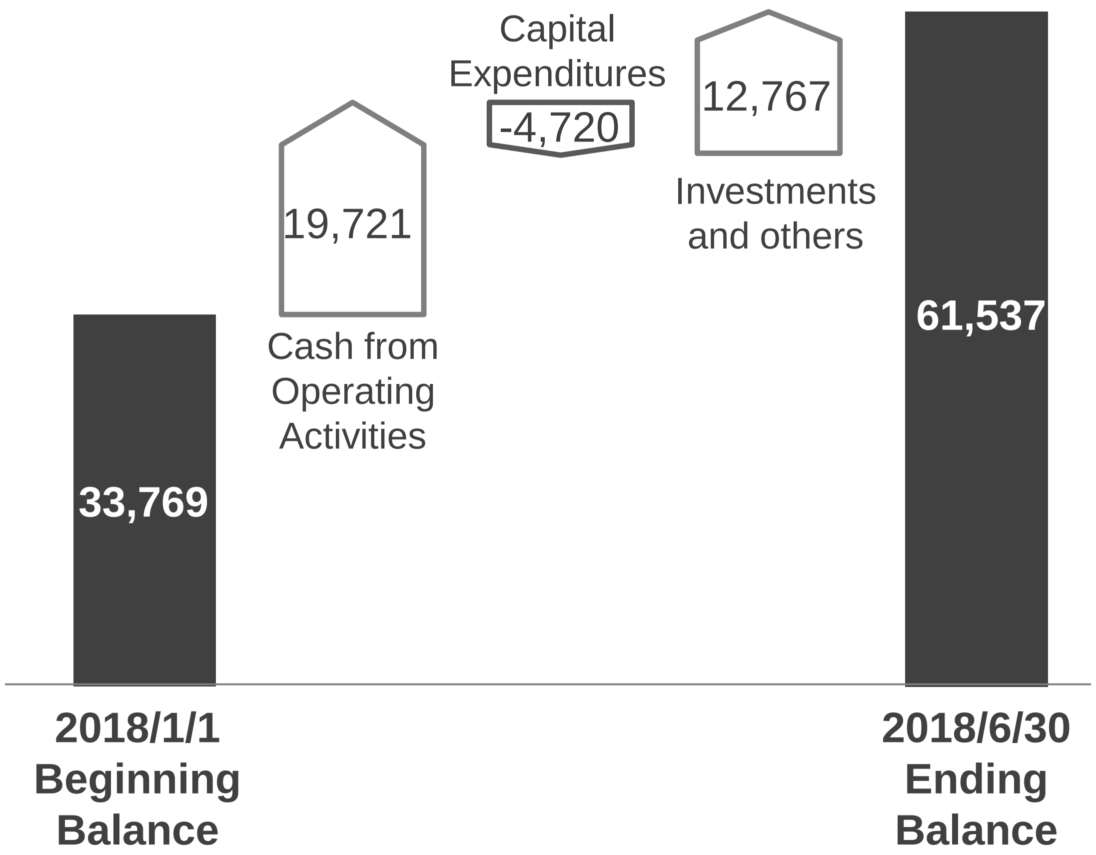
Quarterly Financial Highlights



Cash Flows

Unit: Million NT$	Q2'18 Audited & Consolidated	Q1'18 Audited & Consolidated
Beginning Balance	**50,197**	**33,769**
Cash from Operating Activities	11,778	7,943
Capital expenditures	-2,780	-1,941
Investments and others	2,342*	10,425**
Ending Balance	**61,537**	**50,197**
Free Cash Flow [1]	**8,998**	**6,003**

1H'18 Cash Flow



(1) Free Cash Flow = Cash from operating activities – Capital expenditures

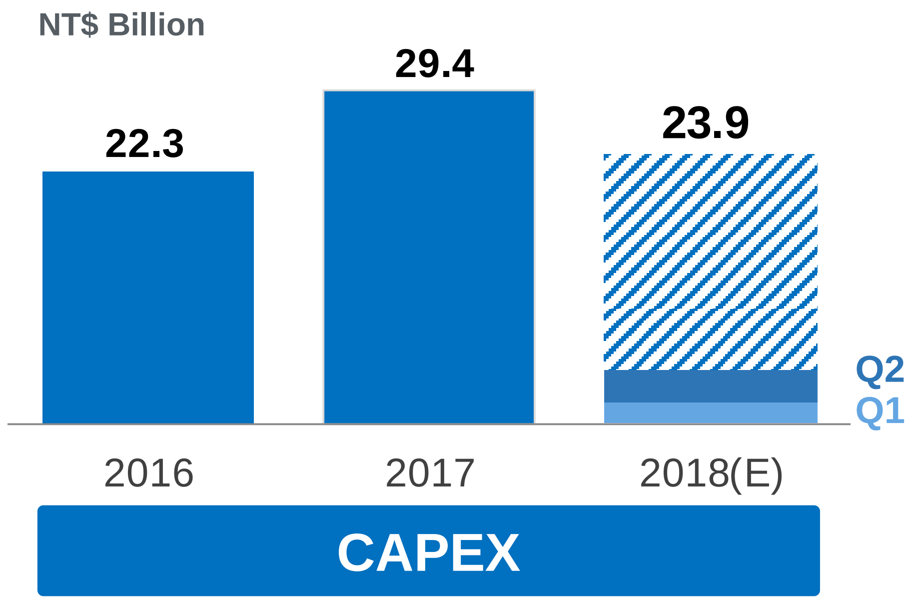
* ESOP execution NT$1.4 billion, FX positive impact NT$ 698 million

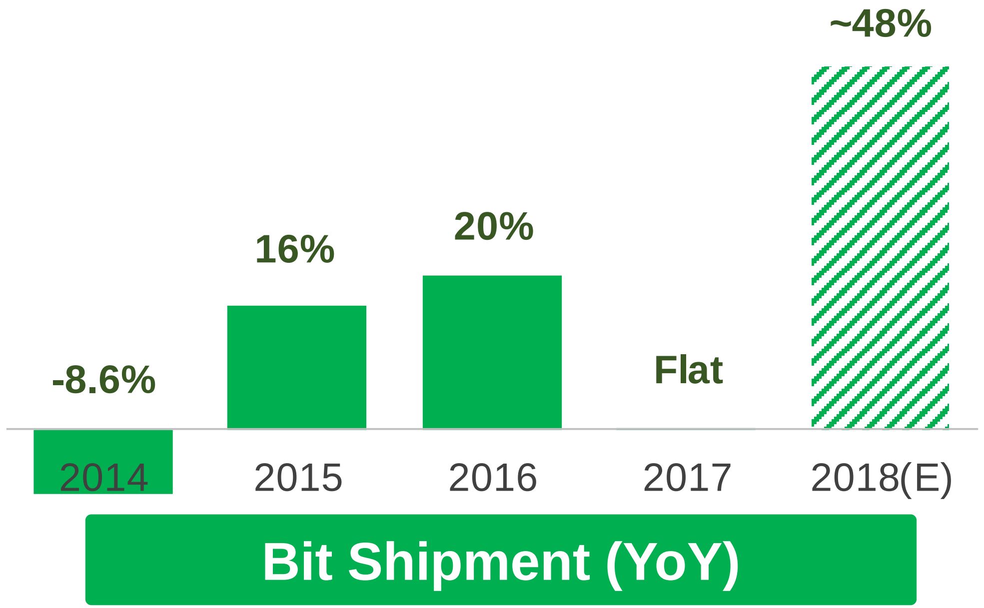
** Net proceeds received NT$10.6 billion in Q1'18 (Micron shares disposal in Q4'17)

1H'18 Free Cash Flow NT$15,001 Million

5

CAPEX & Bit Shipment





Capital Expenditure (CAPEX)

- Q2'18 CAPEX NT$ 2.78Billion (B)
- Estimated 2018 CAPEX of NT$ 23.9B
  - 20nm equipment payment deferred
  - 10nm Class technology development
  - New CAPEX NT$ 15.94B estimated to be expended in 2018 out of total NT$19.71B

Bit Shipment

- Mid-single digits% increase expected in Q3'18
- Target 2018 to reach 48% bit shipment growth, 2019 bit growth target to reach mid teens %

DRAM Market outlook – Q3’18

Supply	■ Q3’18 moderate supply growth expected
Demand	■ 2H’18 the demand in each segments remains favorable ■ **Mobile Market**: the new flagship smartphones with emerging applications, high resolution, 3D sensing, artificial intelligence (AI), and augmented reality will continue to stimulate Mobile DRAM demand. High-end gaming phones start to equip 8GB Mobile DRAM ■ **Server Market:** Hyper scale data centers continue to out grow market average demand. Telecom operators prepare for 5G services. Estimated 258GB DRAM as average content per server ■ **Consumer Market**：Major drivers of consumer applications: TV, set-top box, SSD, Networking products (PON), smart speakers. IPTV's 4K penetration rate exceeds 50%, SSD built-in DRAM demand continues to grow, PON DRAM content forecasts to grow by about 40% yoy
Global Watch	■ Tariffs war, IP infringement and Antitrust accusation, have not impacted memory business in the near term. However, caution needed for potential out-of-control situation

Nanya Business Outlook

- **2H’18 DRAM Demand-Supply remain stable**
- **Nanya Tech acquired 84,022 thousand shares of Formosa Advanced Technology, approximately 19% of FATC issued shares**
- **CAPEX budget NT$19.71 billion mainly for mid-teens % bit growth in 2019**
- **Nanya Technology Operation Focuses:**
  - Plan to deliver LPDDR4/4X products in Q4’18
  - Monthly output to increase to 73,000 WPM in year 2019, from current 65,000 WPM, with the output of 20nm increasing to 47,000 WPM from current 35,000 WPM
  - 10nm class technology development underway

Thanks & Questions